

Global Markets Research

Fixed Income

Fixed Income Daily Market Snapshot

UST		
Tenure	Closing (%)	Chg (bps)
2-yr UST	2.67	-2
5-yr UST	2.93	-5
10-yr UST	2.90	-1
30-yr UST	2.95	2

MGS		GII*		
Tenure	Closing (%)	Chg (bps)	Closing (%)	Chg (bps)
3-yr	3.53	12	3.40	8
5-yr	3.83	8	3.83	-1
7-yr	4.26	9	4.26	13
10-yr	4.18	5	4.26	4
15-yr	4.76	7	4.85	1
20-yr	4.94	27	4.90	4
30-yr	4.97	8	4.98	0

* Market indicative levels

MYR IRS Levels		
IRS	Closing (%)	Chg (bps)
1-yr	2.43	4
3-yr	3.36	3
5-yr	3.76	5
7-yr	3.95	5
10-yr	4.17	5

Source : Bloomberg

Upcoming Government Bond Tender

Nil

US Treasuries

- US treasuries recovered modestly (except the long end) from the previous selloff triggered by Fed Chair Jerome Powell's endorsement of a 50bp rate hike in the next FOMC meeting in May. Overall benchmark yields fell 2-5bps across the short-to-medium end of the curve alongside a small decline in the 10Y UST yield. The longer end bonds slipped a little, resulting in a slightly higher (1-2bps) yields. The curve steepened on Friday as the the yield on **2Y UST yield fell 2bps to 2.67% whilst the much-watched UST 10Y yield retreated 1bp to 2.90%**. Upcoming auction of \$48b 2Y notes is scheduled on Wednesday. The US will also report its advance estimates of first quarter GDP growth this week and the market is expected to continue focusing on the Fed policy normalization pace.

MGS/GIII

- The selloff in local govies extended to Friday, led by the further increase in IRS levels and tracked the overnight slump in USTs. Overall benchmark MGS/GII yields closed higher by 1-27bps (except the 5Y GII and 30Y GII) amid the further increase in secondary market volume to RM4.54b, up 37% from the previous session. **The 5Y benchmark MGS 11/26 yield rose 8bps to 3.83% whilst the 10Y MGS 7/32 yields advanced by 5bps to 4.18%**. Trades were mainly seen in the off-the-run 10Y MGS 08/22 (RM546m), the benchmark 7Y MGS (RM496m) and the benchmark 3Y MGS 03/25 (RM398m). Total GII trade made up 33% of total trade, compared to prior session's 38%. Trade was most active in the off-the-run 10Y GII which saw RM675m changing hands, topping the earlier mentioned actively traded MGS.

Corporate Bonds/Sukuk

- Trading of bonds/sukuk softened on Friday. Overall yields closed higher, spanning across a small handful of names -20 papers amounting to total secondary market volume of RM303m ahead of the weekend. It was a quiet day in the Govt-guaranteed space indeed; TURUS PESAWAT 11/22 picked up 7bps to 2.52% while PRASA 03/40 spiked 87bps to 5.27% after changing hands by a mere RM10m. The AAA space saw a decent number of papers being traded but at limited volume. AAA-rated Danum Capital 05/23 rose 22bps to 2.95%. Meanwhile AA1 Genting gained 17bps to 2.60% after total trade of RM60m. AA- TG EXCELLENCE 02/20 recorded the largest volume @RM80m of the day, and slipped 42bps to 4.06%. The banking space was quiet as well with MBB 08/31 and PBB 07/32 recording a mere RM1-2m trades.

Daily Trades : Government Bond

Securities		Closing	Vol	Previous	Previous	Chg
		YTM	(RM mil)	YTM	Trade Date (dd/mm/yy)	(bp)
MGS	08/22	1.749	546	1.701	21/04/22	5
MGS	09/22	1.802	88	1.701	21/04/22	10
MGS	03/23	2.362	260	2.334	21/04/22	3
MGS	04/23	2.442	19	2.277	21/04/22	17
MGS	08/23	2.445	39	2.435	21/04/22	1
MGS	06/24	3.379	96	3.089	21/04/22	29
MGS	07/24	3.457	115	3.128	21/04/22	33
MGS	09/24	3.201	16	3.183	21/04/22	2
MGS	03/25	3.531	398	3.409	21/04/22	12
MGS	09/25	3.58	4	3.543	21/04/22	4
MGS	11/26	3.83	284	3.746	21/04/22	8
MGS	11/27	3.959	5	3.883	21/04/22	8
MGS	06/28	4.256	496	4.161	21/04/22	10
MGS	08/29	4.327	117	4.246	21/04/22	8
MGS	04/30	4.321	4	4.244	21/04/22	8
MGS	04/31	4.424	182	4.313	21/04/22	11
MGS	07/32	4.182	73	4.128	21/04/22	5
MGS	04/33	4.455	16	4.491	21/04/22	-4
MGS	07/34	4.662	8	4.611	21/04/22	5
MGS	05/35	4.718	2	4.613	21/04/22	11
MGS	04/37	4.757	106	4.687	21/04/22	7
MGS	05/40	4.937	88	4.890	21/04/22	5
MGS	10/42	4.942	70	4.672	20/04/22	27
MGS	03/46	4.988	3	4.937	21/04/22	5
MGS	07/48	5.007	20	4.915	21/04/22	9
MGS	06/50	4.965	3	4.884	21/04/22	8
GII	07/22	1.822	110	2.001	28/01/22	-18
GII	07/22	1.779	100	1.720	21/04/22	6
GII	05/24	3.425	675	3.346	21/04/22	8
GII	08/24	3.497	70	3.385	21/04/22	11
GII	10/24	3.399	52	3.324	21/04/22	8
GII	03/26	3.67	153	3.602	21/04/22	7
GII	09/27	3.833	1	3.844	21/04/22	-1
GII	10/28	4.264	81	4.139	21/04/22	13
GII	10/30	4.306	4	4.249	21/04/22	6
GII	10/32	4.264	207	4.223	20/04/22	4
GII	07/36	4.845	15	4.834	21/04/22	1
GII	08/37	4.93	20	4.890	21/04/22	4
GII	09/41	4.899	3	4.861	21/04/22	4
			4547			

Daily Trades : Corp Bonds/ Sukuk

Securities	Rating	Closing YTM	Vol (RM mil)	Previous YTM	Previous Trade Date (dd/mm/yyyy)	Chg (bp)	Spread Against MGS*	
								Turus Pesawat Sdn Berhad
Prasarana Malaysia Berhad	03/40	GG	5.271	10	4.401	29/09/21	87	40
Danum Capital Berhad	05/23	AAA	2.946	40	2.730	20/04/22	22	61
Small Medium Enterprise Development Bank Malaysia Berhad	07/26	AAA	4.066	1	3.649	07/02/22	42	40
Danga Capital Berhad	09/27	AAA	4.149	5	4.000	14/04/22	15	33
Westports Malaysia Sdn Berhad	10/27	AAA	4.269	10	3.529	29/09/21	74	26
Sarawak Energy Berhad	06/30	AAA	4.520	10	4.009	21/01/22	51	26
Bank Pembangunan Malaysia Berhad	10/30	AAA	4.530	10	3.988	14/01/22	54	27
Projek Lebuhraya Usahasama Berhad	01/36	AAA	4.999	10	4.179	14/09/21	82	24
Projek Lebuhraya Usahasama Berhad	01/37	AAA	5.069	10	4.317	27/08/21	75	31
Genting Capital Berhad	06/22	AA1	3.601	60	3.432	15/03/22	17	126
Kuala Lumpur Kepong Berhad	04/26	AA1	4.018	10	3.610	07/01/22	41	35
Malayan Banking Berhad	08/31	AA1	4.067	1	3.697	25/03/22	37	-22
Public Bank Berhad	07/32	AA1	3.791	2	3.791	21/04/22	0	-45
Gamuda Land (T12) Sdn Berhad	08/30	AA3	4.521	1	4.478	10/03/22	4	26
SP Setia Berhad	04/22	AA	4.670	1	-	-	467	-
TG Excellence Berhad	02/20	AA-	4.061	80	4.477	20/04/22	-42	-81
TSH Sukuk Murabahah Sdn Berhad	08/26	A+	4.667	18	4.671	21/04/22	0	100
Hume Cement Industries Berhad	12/23	-	3.732	2	3.426	14/04/22	31	-
LBS Bina Group Berhad	03/30	-	5.921	2	5.750	20/04/22	17	-
				<u>303</u>				

*spread against nearest indicative tenured MGS (Source: BPAM)

Rating Action

Issuer	PDS Description	Rating/Outlook	Action
Sasaran Etika Sdn Bhd	RM220m Fixed Rate Serial Bonds	AA1/Stable	Reaffirm
MIDF Berhad	Corporate Credit Ratings	A1/Stable/P1	Assign

Source: RAM Ratings

Hong Leong Bank Berhad

Fixed Income & Economic Research, Global Markets

Level 8, Hong Leong Tower

6, Jalan Damanlela

Bukit Damansara

50490 Kuala Lumpur

Tel: 603-2081 1221

Fax: 603-2081 8936

Email: HLMarkets@hlbb.hongleong.com.my**DISCLAIMER**

This report is for information purposes only and does not take into account the investment objectives, financial situation or particular needs of any particular recipient. The information contained herein does not constitute the provision of investment advice and is not intended as an offer or solicitation with respect to the purchase or sale of any of the financial instruments mentioned in this report and will not form the basis or a part of any contract or commitment whatsoever.

The information contained in this publication is derived from data obtained from sources believed by Hong Leong Bank Berhad ("HLBB") to be reliable and in good faith, but no warranties or guarantees, representations are made by HLBB with regard to the accuracy, completeness or suitability of the data. Any opinions expressed reflect the current judgment of the authors of the report and do not necessarily represent the opinion of HLBB or any of the companies within the Hong Leong Bank Group ("HLB Group"). The opinions reflected herein may change without notice and the opinions do not necessarily correspond to the opinions of HLBB. HLBB does not have an obligation to amend, modify or update this report or to otherwise notify a reader or recipient thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

HLB Group, their directors, employees and representatives do not have any responsibility or liability to any person or recipient (whether by reason of negligence, negligent misstatement or otherwise) arising from any statement, opinion or information, expressed or implied, arising out of, contained in or derived from or omission from the reports or matter.

Potential and actual conflict of interest may arise from the activities of HLB Group. HLB Group constitute a diversified financial services group. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and other activities for their own account or the account of others. In the ordinary course of their business, HLB Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the financial instruments. HLB Group, in connection with its business activities, may possess or acquire material information about the financial instruments. Such activities and information may involve or have an effect on the financial instruments. HLB Group have no obligation to disclose such information about the financial instruments or their activities.

The past performance of financial instruments is not indicative of future results. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Any projections or forecasts mentioned in this report may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. No assurance can be given that any opinion described herein would yield favorable investment results. Recipients who are not market professional or institutional investor customer of HLBB should seek the advice of their independent financial advisor prior to taking any investment decision based on the recommendations in this report.

HLBB may provide hyperlinks to websites of entities mentioned in this report, however the inclusion of a link does not imply that HLBB endorses, recommends or approves any material on the linked page or accessible from it. Such linked websites are accessed entirely at your own risk. HLBB does not accept responsibility whatsoever for any such material, nor for consequences of its use.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for the use of the addressees only and may not be redistributed, reproduced or passed on to any other person or published, in part or in whole, for any purpose, without the prior, written consent of HLBB. The manner of distributing this report may be restricted by law or regulation in certain countries. Persons into whose possession this report may come are required to inform themselves about and to observe such restrictions. By accepting this report, a recipient hereof agrees to be bound by the foregoing limitations.